

Solid Waste Enterprise Funds - Consolidated

DESCRIPTION OF MAJOR SERVICES

Operations Fund is responsible for the operation and management of the county's solid waste disposal system, which consists of six regional landfills, nine transfer stations, and thirty-three closed landfills or disposal sites. The Solid Waste Management Division also administers the county's solid waste franchise program which authorizes and regulates trash collection by private haulers in the county unincorporated area, and state mandated waste diversion and recycling programs. This is the only fund that has staffing associated with it.

Budget at a Glance

Total Expenditure Authority	\$209,676,116
Total Sources	\$75,077,954
Rev Over/(Under) Exp	(\$134,598,162)
Total Staff	80

Site Closure and Maintenance Fund provides for the closure of landfills and for post-closure maintenance (e.g. fencing, storm damage, soil erosion, but excluding landfill gas and groundwater monitoring) required by Titles 14 and 27 of the California Code of Regulations. This budget unit accounts for the expenses and revenues related to the planning, design, permitting, construction, and maintenance activities required for closure and post-closure maintenance of county landfills.

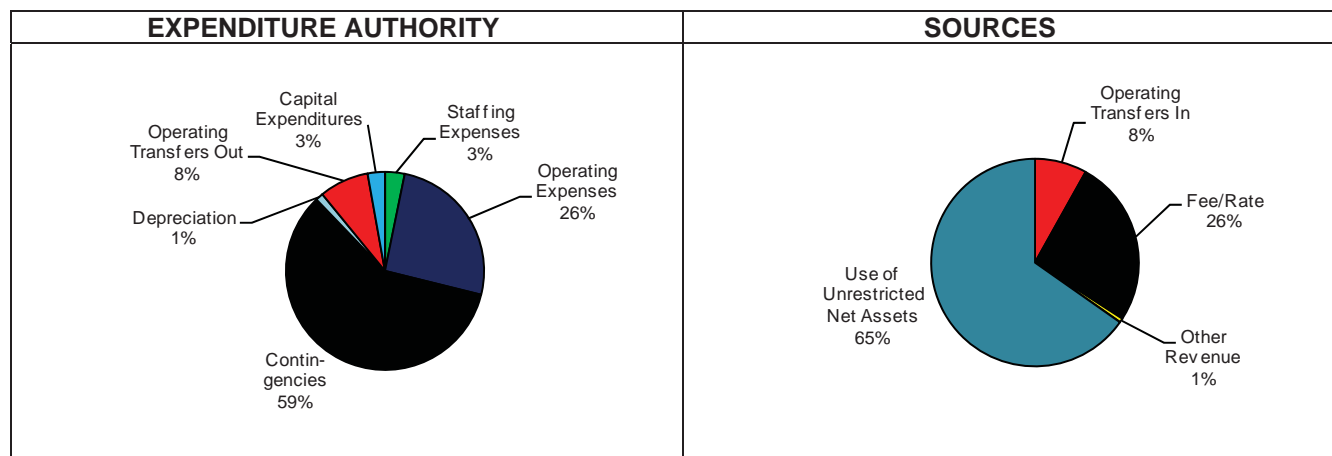
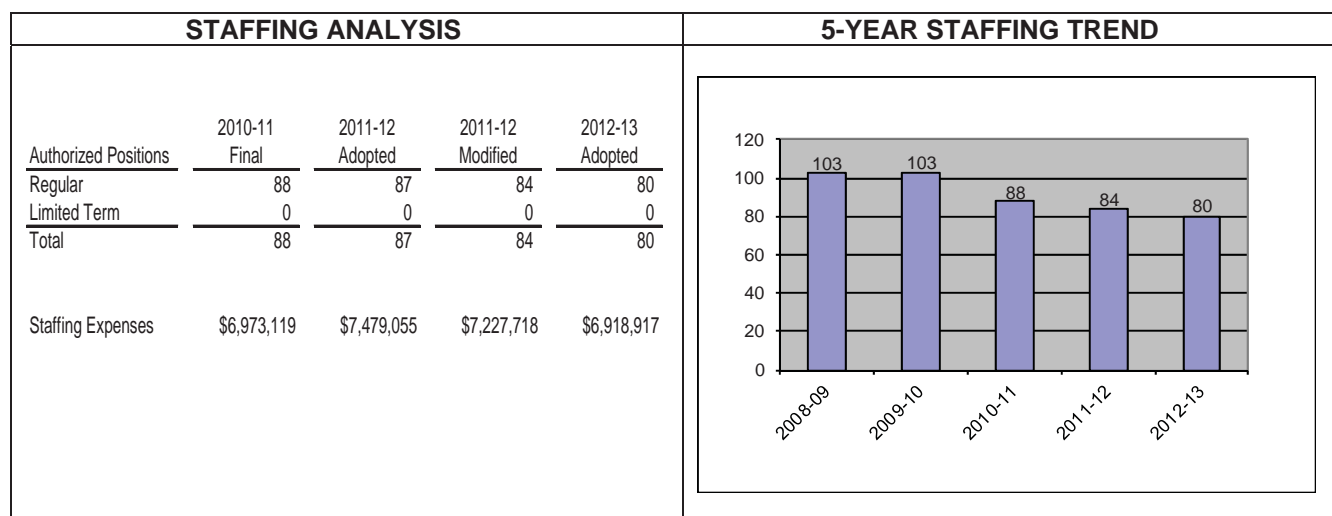
Site Enhancement, Expansion and Acquisition Fund provides for the construction of landfills and construction of transfer stations, the purchase of land, the construction of ancillary facilities, and site enhancements, all of which are directly related to the increase of waste capacity. This budget unit accounts for the expenses and revenues related to the planning, permitting, design, and construction activities required for the expansion and/or enhancement of county landfill and transfer station operations.

Environmental Fund provides environmental mitigation activities (e.g., landfill gas operation, maintenance and monitoring, and groundwater monitoring and remediation) at disposal sites and active and closed landfill sites for the health and safety of the public. This budget unit accounts for the expenses and revenues related to these environmental mitigation activities.

Environmental Mitigation Fund (EMF) was established to provide separate accountability of that portion of the tipping fee designated as a resource for addressing solid waste facilities impacts on local communities. The Board of Supervisors (Board) approved an Environmental Mitigation Fund Use Policy on July 10, 2001. In accordance with this policy, projects or programs must reduce, avoid, or otherwise mitigate impacts arising from the operations and management of a county owned landfill or transfer station to be eligible for use of EMF monies. Current programs funded through EMF monies are the Household Hazardous Waste Program in unincorporated county communities, ongoing since 1993; and the Host Cities Program. Departmental revenue collected in this fund are also used to make contractual payments to the seven host cities with a county landfill or transfer station within its boundary or sphere of influence. On March 30, 2004, the Board approved an amended EMF Use Policy that revised the eligibility criteria to include the county's portion of costs associated with debris cleanup in the aftermath of a locally declared disaster. Also, for 2008-09 and forward, all uncovered load fees will be transferred into this fund and used to finance the fund's activities.

Closure and Post-Closure Maintenance Fund provides for the funding of landfill closures construction for those facilities that fall within the regulatory requirements of landfill facilities that were still actively receiving waste as of 1989. Deposits are made to this budget unit from the Solid Waste Operations budget unit, as needed, to provide proper funding, based upon the amount of waste deposited into the landfills each year. No expenditures are booked to this budget unit, only operating transfers out to the Site Closure and Maintenance budget unit and contingencies to reflect total net assets available at year end. The operating transfers to the Site Closure and Maintenance budget unit can only be done when Solid Waste Management Division receives written approval from CalRecycle for the release of funds.



2012-13 RECOMMENDED BUDGET**BUDGETED STAFFING**

ANALYSIS OF 2012-13 RECOMMENDED BUDGET

GROUP: Operations and Community Services
 DEPARTMENT: Public Works - Solid Waste Management
 FUND: Solid Waste Enterprise Funds Consolidated

BUDGET UNIT: Various
 FUNCTION: Health and Sanitation
 ACTIVITY: Sanitation

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Estimate	2011-12 Modified Budget	2012-13 Recommended Budget	Change From 2011-12 Modified Budget
Appropriation							
Staffing Expenses	7,213,239	7,339,483	6,973,106	6,936,718	7,227,718	6,918,917	(308,801)
Operating Expenses	56,708,202	54,942,707	54,488,633	46,588,715	66,046,158	55,374,684	(10,671,474)
Contingencies	0	0	0	0	116,492,444	127,170,409	10,677,965
Total Exp Authority	63,921,441	62,282,190	61,461,739	53,525,433	189,766,320	189,464,010	(302,310)
Reimbursements	0	0	0	(1,200)	0	(8,000)	(8,000)
Total Appropriation	63,921,441	62,282,190	61,461,739	53,524,233	189,766,320	189,456,010	(310,310)
Depreciation	1,864,365	3,697,592	2,622,563	3,043,275	4,878,551	2,754,284	(2,124,267)
Operating Transfers Out	24,593,855	14,704,327	15,200,656	4,511,807	13,659,223	17,457,822	3,798,599
Total Requirements	90,379,661	80,684,109	79,284,958	61,079,315	208,304,094	209,668,116	1,364,022
Departmental Revenue							
Taxes	184,578	182,046	171,276	180,593	124,815	180,000	55,185
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	2,767,525	36,988	32,530	157,140	75,361	0	(75,361)
Fee/Rate	59,589,555	56,832,423	57,011,260	54,682,340	56,574,295	56,075,702	(498,593)
Other Revenue	5,027,022	2,383,333	1,666,896	1,223,014	1,729,595	1,356,430	(373,165)
Total Revenue	67,568,680	59,434,790	58,881,962	56,243,087	58,504,066	57,612,132	(891,934)
Operating Transfers In	24,554,583	15,118,590	15,200,656	3,722,314	13,649,223	17,457,822	3,808,599
Total Financing Sources	92,123,263	74,553,380	74,082,618	59,965,401	72,153,289	75,069,954	2,916,665
Rev Over/(Under) Exp	1,743,602	(6,130,729)	(5,202,340)	(1,113,914)	(136,150,805)	(134,598,162)	1,552,643
				Budgeted Staffing	84	80	(4)
Fixed Assets							
Capital Expenditures	4,713,883	4,965,442	1,565,790	8,625,897	13,528,923	6,076,701	(7,452,222)
Total Fixed Assets	4,713,883	4,965,442	1,565,790	8,625,897	13,528,923	6,076,701	(7,452,222)

BUDGET CHANGES AND OPERATIONAL IMPACT

The **Solid Waste Enterprise Funds** are increasing appropriation by a net \$1.4 million and increasing departmental revenue by a net \$2.9 million. Staffing expenses are decreasing by \$0.3 million due to the elimination of 4 vacant positions. Operating expenses are decreasing by \$10.7 million due primarily to a \$4.9 million decrease in professional services due to completion of several construction projects that took place in 2011-12 and a reduced capital improvement project list for 2012-13, a \$1.3 million decrease in the landfill operations contract due to a continuing drop in tons, a \$3.3 million decrease in set asides for judgment obligations based on a five year average, a \$0.6 million reduction in insurance expense, and a \$0.4 million decrease in legal counsel services. The reduction in operating expenses has a corresponding increase in contingencies. Depreciation is decreasing by \$2.1 million based on existing depreciation schedules. This decrease does not impact the financial resources of Solid Waste since depreciation expense is a non-cash transaction that is adjusted annually for accounting purposes.

Operating transfers (in/out) are increasing \$3.8 million due to the anticipated state release of financial assurance funds from the Closure and Post-Closure Maintenance Fund to the Site Closure and Maintenance Fund for reimbursement of the cost associated with completing the final closure construction at the Big Bear Sanitary Landfill. Other changes in revenue are related to a \$1.5 million decrease in gate fees based on a continuing drop in tons and a \$1.0 million decrease in interest earnings. These reductions were partially offset by an increase in franchise fees of \$1.0 million based on current year trend and an increase in litigation funding of \$0.6 million due to a monthly settlement payment being made to the division that started in December 2011 and will continue until November 2015.

Fixed assets are decreasing by \$7.5 million based on the current capital improvement project list.



DETAIL OF 2012-13 RECOMMENDED BUDGET

	2012-13			
	Appropriation	Revenue	Revenue Over (Under) Expense Balance	Staffing
Enterprise Funds				
Operations Fund	86,404,294	52,557,146	33,847,148	80
Site Closure and Maintenance Fund	31,841,014	4,436,756	27,404,258	0
Site Enhancement, Expansion and Acquisition Fund	15,629,558	806,731	14,822,827	0
Environmental Fund	8,329,652	14,036,192	(5,706,540)	0
Environmental Mitigation Fund	4,138,520	3,233,129	905,391	0
Closure and Post-Closure Maintenance Fund	63,325,078	0	63,325,078	0
Total Enterprise Funds	209,668,116	75,069,954	134,598,162	80

Operations Fund includes appropriation of \$86.4 million for the operation of the County's solid waste disposal system, including \$6.9 million to fund 80 positions, \$27.0 million for the landfill operations contract and other professional services needed to maintain the county's disposal sites, \$13.6 million to make lease payments to the Inland Empire Public Facilities Corporation for repayment of the Operations Fund bond, payments to cities for Article 19 fees, payments to the Board of Equalization based on a per ton of landfill waste, and for set asides for potential legal settlements. Contingencies of \$24.0 million represent available net assets set aside for future use. Departmental revenue of \$52.6 million are earned from landfill gate fees, special land use assessments, solid waste franchise fees, royalty agreements, land leases, interest earned on fund balance, and a small state grant for beverage container recycling education and outreach program. The revenue earned in this budget unit finances the activities of all other budget units and is reflected as operating transfers out.

Bond Financing at a Glance	
	2012-13 Budget
Principal	\$8,045,000
Interest	1,378,282
Total	\$9,423,282

Site Closure and Maintenance Fund includes appropriation of \$31.8 million, of which \$2.1 million is operating expenses for the partial closure of the south and west slopes of Unit 1 at the Mid-Valley Sanitary Landfill and \$29.7 million is contingencies which represent available net assets set aside for future use. Departmental revenue of \$4.4 million are primarily from an operating transfer in of \$3.8 million from the Closure and Post-closure Maintenance Fund for State-authorized release of funds associated with final closure construction at the Big Bear Sanitary Landfill. Other revenues include allocated special assessments, landfill gate fee revenue that supports closure activities, and interest earnings.

Site Enhancement, Expansion and Acquisition Fund includes appropriation of \$15.6 million, of which \$1.0 million is for construction of new facilities and site enhancements, \$12.8 million is anticipated contingencies representing available net assets set aside for future use, and \$1.8 million is for depreciation expense. Departmental revenue of \$0.8 million is from allocated landfill gate fee revenue that supports expansion activities and interest earnings. Fixed assets of \$0.2 million is for the capital improvement portions of the projects listed below.

Project list by site:

- Landers Sanitary Landfill - Expansion Project including compliance with the California Environmental Quality Act (CEQA)/Environmental Impact Report (EIR) planning and permitting activities, and expansion engineering documents
- Mid-Valley Sanitary Landfill – Construction of the Full Half-width Improvements of Alder Avenue and Casmalia Street including construction management services
- San Timoteo Sanitary Landfill – Unit 2 CEQA Update / Re-permitting (EIR)



Environmental Fund includes appropriation of \$8.3 million, out of which \$7.8 million is for the construction, operations, maintenance, and monitoring of environmental control systems for the protection of groundwater, air, and soil per Title 5 air permits and Title 27 regulations and \$0.5 million is for depreciation expense. Departmental revenue is from operating transfers in from the Operations Fund, allocated landfill gate fees, and fund balance interest. Fixed assets of \$5.7 million is for the capital improvement portions of the projects listed below.

Project list by site:

- Colton – Landfill Gas Extraction System (LFGES) Operations, Maintenance and Monitoring (OM&M)
- Heaps Peak – Leachate Collection and Recovery System including construction, treatment and disposal, OM&M; LFGES OM&M; East Slope Stabilization: design, specifications, CEQA, regulatory permit assistance, construction, and mitigation fees
- Mid-Valley - Broco Investigation; Department of Toxic and Substance Control Reimbursement; perchlorate issues including State Water Resources Control Board Reimbursement, contract with City of Rialto; Groundwater Treatment System (GWTS) OM&M; LFGES including design, construction management, construction, OM&M
- Milliken - Edison License Agreements (Easements), GWTS and LFGES OM&M
- San Timoteo - LFGES OM&M
- Yucaipa - Groundwater Remediation Pilot Study In-Situ Bioenhancement; permanent GWTS design, construction and construction management
- County-wide - Water Quality Monitoring and Response Program

Environmental Mitigation Fund includes appropriation of \$4.1 million, out of which \$3.0 million is for accountability of the portion of the tipping fee designated as a resource for addressing solid waste facilities impacts on local communities, primarily for host communities' fees to seven Cities with a landfill or transfer station in their sphere of influence or within incorporated city limits. Contingencies of \$1.1 million represent available net assets set aside for future use. Departmental revenue of \$3.2 million is from allocated special assessments and landfill gate fees.

Closure and Post-Closure Maintenance Fund includes appropriation of \$63.3 million, out of which \$3.8 million is for a transfer to the Site Closure and Maintenance fund for the completion of the Final Closure Construction at the Big Bear Sanitary Landfill and \$59.5 million is anticipated contingencies representing available net assets set aside for reimbursements of future site closure costs. This fund does not currently generate any annual revenues. The County received approval in September 2010 from CalRecycle for the abeyance of future deposits to this fund because it had sufficiently met the Closure Financial Assurance regulatory requirements based on the amount of waste in place. No deposits (operating transfers in) will be required based on the estimated waste to be deposited for the Financial Assurance period covered within 2012-13.

STAFFING CHANGES AND OPERATIONAL IMPACT

For 2012-13, overall staffing is decreasing by 4 vacant positions: 1 Public Works Operations Supervisor, 1 Recycling Specialist II, 1 Recycling Specialist I, and 1 Scale Operator. The incumbents retired or vacated the positions during 2011-12. The department, through reorganization, has restructured duties and responsibilities in order to absorb the loss of these positions. In addition, the reclassification of a Recycling Specialist I to a Recycling Specialist is being requested to better reflect the duties and responsibilities of the incumbent.



2012-13 POSITION SUMMARY

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Administration	6	0	6	5	1	0	6
Special Projects	6	0	6	5	1	0	6
Operations and Scales	36	0	36	36	0	0	36
Engineering	19	0	19	19	0	0	19
Administrative Services	11	0	11	11	0	0	11
Information Technology Services	2	0	2	2	0	0	2
Total	80	0	80	78	2	0	80

Administration	Special Projects	Operations and Scales
<u>Classification</u>	<u>Classification</u>	<u>Classification</u>
1 Solid Waste Division Manager	1 Solid Waste Program Administrator	1 Public Works Operations Supt.
1 Solid Waste Analyst	1 Staff Analyst II	1 Maintenance & Const. Supervisor I
1 Staff Aide	1 Media Specialist	4 Landfill Operations Inspector
1 Secretary II	1 Recycling Specialist	1 Engineering Technician III
1 Office Assistant III	1 Secretary I	1 Scale Operations Supervisor II
1 Office Assistant II	1 Fiscal Assistant	2 Scale Operations Supervisor I
6 Total	6 Total	25 Scale Operator
		1 Fiscal Assistant
		36 Total
Engineering	Administrative Services	Information Technology Services
<u>Classification</u>	<u>Classification</u>	<u>Classification</u>
1 Public Works Engineer IV	1 Administrative Supervisor II	1 Automated Systems Analyst I
3 Public Works Engineer III	1 Accountant III	1 Automated Systems Technician
4 Public Works Engineer II	2 Accountant II	2 Total
1 Engineering Tech V	1 Staff Analyst I	
4 Engineering Tech IV	1 Supervising Accounting Tech.	
3 Engineering Tech III	4 Fiscal Assistant	
1 Engineering Tech II	1 Office Assistant III	
1 Staff Analyst I	11 Total	
1 Secretary I		
19 Total		

